



Harry's Take

March 3, 2026

Reader Mailbag: Questions and Harry's Answers on Tariffs, the Markets and Bitcoin

We receive many questions on various topics, including direction of the markets, demographics, and interest rates. From time to time, we gather a series of questions and answers on a few topics and send them to subscribers as part of our reader Mailbag series.

Q: Could EEM be an alternative to VT? I know it leaves the US out?

A: VT is a good global stock fund, but it leans more towards the developed countries and large cap stocks which dominate total capital values. Example of difference: VT up 5.5 times since March 2009 lows vs. 2.9 times for EEM. So VT is a better substitute for US large cap stocks, not EEM. It is a good core global stock index, but the S&P 500 would have been up 7.5 times since the March 2009 low versus 5.5 times for VT... so it's not as good. It's better to buy the SPY ETF for the S&P 500, and returns are still much higher for QQQ Nasdaq 100, up a whopping 21 times since the March 2009 lows.

Q: Does Trump's action today signal/ cause the bubble to burst? What is your take on the latest economic development with Canada regarding the implementation of a 34% tariff?

A: Tariffs and a demographic downturn were part of the 1929-32 crash. This time the demographic downturn would have continued into 2020-22 but was postponed by stimulus. So now, with monetary stimulus partially

withdrawn, that final crash is likely to occur between now and late 2028, perhaps early 2029. Postponing a bubble burst and debt detox will only worsen the outcome.

Q: Are you no longer seeing a downturn by summer? Will we spend our way out?

A: The most likely scenario is a downturn with the first wave potentially dropping as much as 50–60% by July. But this should start soon, or we may end up in an extended sideways pattern.

Q: Has your long term projection of bitcoin changed? Trump is not turning out to be as helpful with it as everyone thought he would be. What are your long and short term thoughts on Bitcoin now?

A: By year-end 2026, the price is likely to drop to \$30,000, with a worst-case scenario of \$15,600, similar to past 4-year crashes. Long-term by 2037–40, the price could reach \$600,000 to \$1,000,000, similar to Amazon during the Internet/Dot.com retailers boom.

Q: Harry your Feb newsletter speaks to another round of money printing to stave off a big downturn in the U S economy. Do you think the billions and possibly trillions we take in from tariffs will reduce or ease the need to print more money?

A: In the whole scheme of \$30 trillion stimulus, which is still rising by \$2T a year, the tariffs aren't that consequential.

Q: Man o man - up over 25% in 2 years. It looks like mania for sure but does that mean anything?

A: This is exactly what the late stages of a bubble look like. The question is just how high it will go. I don't see much more upside at this point. And markets go back down twice as fast as they went up. So, I wouldn't hold out at this point. Time to sell! We can re-evaluate stocks if they don't fall much by July.

Q: I was wondering, with its recent downturn, is now the time to start dabbling with Crypto? It seems we are on the precipice of Central Banks, Sovereign Funds and retirement accounts approving the accumulation of cryptocurrency, as they recently did with gold. As this activity has driven up

gold prices, might it not do the same for Crypto? Maybe you can also comment on China's current action to start its own cryptocurrency, somehow pegged to gold and how that might upset the current monetary world?

A: No, the 4-year Bitcoin cycle should be down into late 2026, and likely longer this time in a bigger 12-year cycle. \$30,000 is my minimum target low; \$15,600 is my maximum target.

Q: What do you think about when the second correction will come in commodities around 1600 to 2000 USD in which year?

A: Commodities will continue to crash with the Everything Bubble until around 2028, and then should see a lesser crash after their next 30-year cycle peaks between 2037 and 2039.

Q: How do you think the Japanese carry trade will affect TLT if they sell their US Treasuries?

A: If the Japanese sold US Treasuries, it could affect Treasury bonds and prices and raise yields a bit. We'll just have to see if that happens on a high enough level. US Treasuries are the largest single market in the world, so it would take a lot to have a substantial effect.

Q: What is the best safe haven for Euro investors who wish to avoid USD FX fluctuations? For now, I have moved to Euro-denominated corporate bonds.

A: The dollar tends to be more of a safe haven as in 2008 when the economy crashed. Hence, I would prefer holding the US Treasuries. In Europe you could either buy German government bonds or UK. Or you could buy the highest quality AAA corporate bonds in Europe.

Harry

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